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RUEHVI/AMEMBASSY VIENNA PRIORITY 0068  
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RUCNDT/USMISSION USUN NEW YORK PRIORITY 0172  
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C O N F I D E N T I A L SANTIAGO 001042

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STATE FOR WHA/BSC

E.O. 12958: DECL: 05/15/2016

TAGS: [PREL](#) [PGOV](#) [VZ](#) [CI](#)

SUBJECT: PRESIDENT BACHELET TOUTS CHILE'S TIES WITH EUROPE  
DURING VISIT TO SPAIN, AUSTRIA

REF: A. SANTIAGO 00929

[1](#)B. 05 SANTIAGO 02558  
[1](#)C. SANTIAGO 01034

Classified By: Ambassador Craig A. Kelly. Reasons: 1.4 (b and d).

[1](#)1. (C) Summary: President Bachelet traveled to Spain, Bosnia-Herzegovina and Austria May 8-14 on her first official visit to Europe as president. During a state visit in Spain, Bachelet and Spanish President Zapatero signed a "strategic alliance agreement." After visiting Chilean PKO troops in Bosnia-Herzegovina, Bachelet attended the Latin America-Europe Summit in Austria and held a number of bilateral meetings there. Bachelet reportedly referred to the EU as "Chile's most important partner outside of Latin America," and the EU urged Chile to promote its successes in the region. Some members of the Chilean press have picked up on this theme and have suggested that Chile become more active in the region. Bachelet and Chavez discussed possible Chilean participation in the Venezuelan oil sector, but did not discuss Venezuela's UNSC candidacy, according to a senior Foreign Ministry official who accompanied Bachelet. During her meeting with Bolivian President Morales, Bachelet restated Chile's desire to conduct relations in an environment "free of restrictions and demands." The GOC was surprised by Morales' decision to nationalize hydrocarbons, knowing it would pick a battle with Brazil, and is concerned the issue may impact regional stability. End summary.

First European Visit  
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[1](#)2. (U) In her first trip to Europe as president, Michelle Bachelet traveled to Spain, Bosnia and Herzegovina, and Austria May 8-14. During a state visit in Spain, Bachelet met privately with Spanish President Zapatero, attended a state dinner, and met with Spanish companies with interests in Chile. According to a statement issued by La Moneda presidential palace, Bachelet and Zapatero signed a "strategic partnership agreement" to strengthen economic, cultural and political cooperation. After a brief stopover in Bosnia and Herzegovina, where she met with Chilean peacekeeping troops serving under EUFOR, Bachelet traveled to Austria to attend the EU-Latin American/Caribbean Summit. There, Bachelet held bilateral meetings with the leaders of

Bolivia, Brazil, Ecuador, Finland, Germany, Poland, Peru, Venezuela, and the United Kingdom, in addition to UNSYG Annan.

13. (C) During the press conference following her meeting with EU officials, Bachelet called the European Union, "Chile's most important partner outside of Latin America." In addition to sharing similar economic, political and social orientations, Chile and European nations "share similar visions about multilateral institutions, free trade and governance via coalitions." EU President Barroso highlighted Chile's successes and urged the GOC to use its influence to promote those successes in the region. Some Chilean press have picked up on these statements and are suggesting that Chile become more active in the region. Foreign Ministry Director General Carlos Portales told the Ambassador on May 16 that the GOC did not feel put out by such statements. Bachelet announced Chile would co-host a civil society meeting with the EU in the future. She also noted that GOC and EU officials would convene technical talks later in May to explore further trade liberalization.

#### Chavez' Charm Offensive

14. (U) Bachelet's May 11 bilateral meeting with President Chavez and other encounters in Vienna received considerable press coverage here. These include photos of the Venezuelan leader placing his hands on Bachelet's shoulders and leaning his head on her head while the leaders were lining up for an official photo. During their one-hour bilateral meeting on May 11, Bachelet and Chavez "discarded ideology" and discussed "bilateral issues and regional integration," according to a statement issued by La Moneda. Unnamed GOC officials were quoted as saying that Bachelet and Chavez discussed social programs in Chile and Venezuela, and energy

issues within a regional context.

15. (C) On the latter, FM Foxley told the press after the meeting that Bachelet and Chavez discussed possible Chilean cooperation with Venezuela in that country's oil sector, "We (Chile) want ENAP (Chile's state-owned oil company), in conjunction with the appropriate Venezuelan agency, to explore if they can work together." Foxley explained that there are "areas in Venezuela where surveys of new fields could be realized." (Comment: This is not the first time we have heard of possible Chilean participation in the Venezuelan oil sector. Former Deputy FM Barros informed the Ambassador in December that Chile would increase temporarily its oil imports from Venezuela due to a decrease in Argentine exports to Chile and a lack of other viable alternatives (reftel B). End comment.)

16. (C) According to the Chilean press, Chavez did not press Bachelet to support Venezuela's UNSC candidacy -- a decision the Chilean press attributed to Chavez' desire not to spoil efforts to establish friendly relations with President Bachelet at a time when, "Chile does not want to upset relations with Washington." Foreign Ministry Director General for External Relations Carlos Portales confirmed to the Ambassador late May 16 that Chavez did not raise the UNSC seat issue (reftel C). Chavez's public response to a press question about Bolivia's demands for access to the sea ("We have decided to respect the bilateral nature of the issue") was interpreted in Chile as another indication of Chavez' desire to avoid confrontation with Chile.

17. (U) Responding to a question during her joint press conference with Zapatero in Madrid, Bachelet dismissed the idea that an alliance between Venezuela, Bolivia and Cuba would destabilize the region, adding that she did not want "to return to the Cold War era and demonize one or other countries." During a subsequent press interview in Vienna, Bachelet denied that the different political and economic models pursued by Chile and Venezuela would provoke a division in South America. On the same day, FM Foxley told the press that Bachelet had been clear in telling Chavez that "Chile has a way of doing things that sometimes can be

different from the ways others do things." That said, "Chile is a friendly country that will not judge anyone. We are going to respect the path that another country chooses," Foxley added.

#### Bolivia/Andean Free Trade

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¶18. (U) Following her meeting with President Morales of Bolivia, Bachelet reiterated her desire to conduct relations in an environment "free of restrictions and demands", and one that takes into consideration "existing instruments" (i.e. international treaties). In perhaps even stronger terms, FM Foxley said that "nobody is going to impose anything on us that is unreasonable and that does not protect Chile's interests." MFA Director General for External Relations Portales told the Ambassador on May 16 that Chile was surprised by Morales' decision to pick a battle with Brazil over the hydrocarbon issue, and noted the GOC was concerned the issue may impact regional stability. Portales added that Chavez's inflammatory statements about the Andean Free Trade Agreement with the U.S. were also worrisome.

#### Reactions

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¶19. (C) Foreign Ministry Special Policies Director Luis Winter told EPOL Counselor on May 17 that Foreign Ministry officials had not been briefed in detail on Bachelet's meetings in Europe. Winter said MFA Director General for External Relations Portales was scheduled to brief him and other Foreign Ministry directors later that day (May 17). Winter characterized the post-visit mood in the Foreign Ministry as upbeat, noting that the MFA was pleased with the positive words European leaders had for President Bachelet and Chile.

¶10. (C) Our local diplomatic colleagues are also awaiting readouts from capitals. The Polish Ambassador told EPOL

Counselor that Polish President Kaczynski's talking points included the Venezuelan UNSC issue. The Spanish DCM said that Madrid's points included concerns about Venezuela and Chavez in general. Neither knew if the talking points were used.

#### Comment

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¶11. (C) Bachelet's first two official visits abroad as president are indications of her desire to strengthen -- or reaffirm -- relations with MERCOSUR countries and the EU. The EU's glowing statements about Chile's successes, and its urging that Chile promote these successes in the Hemisphere, are positive and consistent with the messages we have been delivering to the GOC. We do not yet know if any of the Europeans delivered any messages to Bachelet on Venezuela and the upcoming UNSC elections.

KELLY